

**UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN**

IN RE:

RYDAHL INDUSTRIES, INC.

CASE NO.: SG05-10428

Debtors/

NOTICE TO CREDITORS AND OTHER PARTIES IN INTEREST

**DEBTOR'S MOTION FOR AUTHORITY TO SELL
CONCRETE PLANT EQUIPMENT AND EXTEC SCREENER
AND PAY A PORTION OF PROCEEDS TO SECURED CREDITOR**

The attached motion has been filed with the Bankruptcy Court. **Your rights may be affected.** **You should read these papers carefully and discuss them with your attorney. (If you do not have an attorney, you may wish to consult one.)**

If you want the court to consider your views on this matter, attend the hearing scheduled for July 19, 2006 at 10:00 a.m. at the United States Bankruptcy Court, One Division Ave., Grand Rapids, Michigan, Courtroom A.

You or your attorney may wish to file a response explaining your position. Such response should be **received** at least three business days prior to the scheduled hearing. A copy should also be served upon the party who has filed the motion and to his/her attorney. **Please refer to Administrative Order 2004-06 (Mandatory Electronic Filing), effective January 1, 2005, for practices and procedures for filing pleadings with the court.**

If you or your attorney do not take these steps, the court may decide that you do not oppose the relief sought in the motion or objection and may enter an order granting that relief.



Notice returned to Perry Pastula, Esq., for service of notice, motion and order shortening notice period upon matrix. (Court to serve Buyers' List)(July 5, 2006-jm)

July 5, 2006

DANIEL M. LAVILLE
CLERK OF BANKRUPTCY COURT

/s/

BY: Jackie Malone, Deputy Clerk

NOTICE IS HEREBY GIVEN that the court may, in its discretion, orally continue or adjourn the above hearing on the record in open court. If this occurs, parties in interest will not be given further written notice of the continued or adjourned hearing. If an entity is not present at the originally scheduled hearing, information regarding the time, date and place of an orally continued or adjourned hearing may be obtained at the Clerk's office from the docket.

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

In Re:

Case No. SG 05-10428

RYDAHL INDUSTRIES, INC.,

Chapter 11; Filed 7/27/05

Debtor.

HON. JO ANN C. STEVENSON

**DEBTOR'S MOTION FOR AUTHORITY TO SELL
CONCRETE PLANT EQUIPMENT AND EXTEC SCREENER
AND PAY A PORTION OF THE PROCEEDS TO SECURED CREDITOR**

NOW COMES the Debtor, by and through its attorneys, Dunn, Schouten, & Snoap, and moves this Honorable Court pursuant to 11 U.S.C. 363 for entry of an Order authorizing the sale of equipment comprising the Debtor's concrete plant and Extec Screener and pay a portion of the proceeds to secured creditor, and in support states as follows:

1. The Debtor filed its voluntary petition for relief under Chapter 11 of the Bankruptcy Code on July 27, 2005 and has continued in possession of its assets and continued its business operations pursuant to §1107 and §1108 of the Bankruptcy Code.
2. Among the assets of the estate is equipment used by the Debtor to operate its concrete plant.
3. A portion of the equipment is subject to the security interests of Komatsu Financial.
4. The following is a description of the equipment and identity of the creditor holding a security interest in the particular piece of equipment:

<u>Description</u>	<u>Serial Number</u>	<u>Secured Creditor</u>
Concrete Crusher Plant	74165	Komatsu Financial
Kohlberg Radial Stacker	404381	Komatsu Financial
Cedar Rapids Triple Screen	625	Komatsu Financial
Extec Conveyor	5840	Greenville Community - blanket

5. The Debtor also owns an Extec Screener, Serial No. 5433, for which it has received an offer to purchase from the proposed buyer of the concrete plant equipment, A & B Farms, LLC of A-4203 Blue Star Highway, Holland, MI 49423.

6. A & B Farms has offered to purchase the equipment comprising the concrete plan for a price of \$129,000. A & B has also offered to purchase the Extec Screener for \$58,000.

7. In the exercise of the Debtor's business judgment, it believes that the proposed purchase prices for the above referenced equipment is fair and reasonable.

8. The Debtor requests authority to sell the equipment to Stone Products on the terms set forth in this motion pursuant to 11 U.S.C. 363.

9. The equipment shall be sold on an "AS IS - WHERE IS" basis with no warranties as to merchantability, fitness for a particular purpose, or any other matter except the Debtor shall warrant that the buyer will receive good and marketable title free and clear of all liens, claims, encumbrances, and interests, with any existing liens, claims, encumbrances, and interests attaching to the proceeds in the same order, rank, and priority and with the same validity that exists with respect to the equipment.

10. The proposed sale is not a sale of substantially all the assets of the Debtor. The Debtor believes its assets have a value in excess of \$3,000,000 and that the assets are more than sufficient to satisfy all the claims of its creditors.

11. The fair allocation of the purchase price for the concrete plant is \$119,000 for the

equipment subject to the Komatsu Financial security interest and \$10,000 for the Extec Conveyor which is subject to the blanket security interest held by Greenville Community Bank.

12. The equipment is also subject to subordinate tax liens filed by the Internal Revenue Service and the Michigan Dept. of Treasury. The security interest of Greenville Community Bank and the tax liens of the IRS and the Michigan Dept. of Treasury are secured by other assets of the Debtor which are sufficient to pay the secured claims and therefore those creditors are adequately protected by their interest in the other assets of the Debtor.

13. The sale of the equipment will benefit the bankruptcy estate in that it will reduce the outstanding debt, save continued accrual of interest on the Komatsu Financial's claims, and provide the Debtor with additional working capital necessary to complete its reorganization.

14. In summary, the sale of the equipment shall be for a total sale price of \$187,000. Out of those proceeds, the sum of \$119,000 shall be paid to Komatsu Financial, and the balance of \$68,000 shall be retained by the Debtor and the bankruptcy estate for use in its continued operations and reorganization.

WHEREFORE, the Debtor prays this Court enter an Order authorizing the Debtor to sell the equipment identified above on the terms set forth in this motion and pay the proceeds to secured creditors, and that the Court grant such other and further relief it deems just and proper.

Respectfully Submitted,

DUNN, SCHOUTEN & SNOAP

Date: June 28, 2006

By: /s/ Perry G. Pastula
Perry G. Pastula (P35588)
Attorneys for Debtor
2745 DeHoop Avenue SW
Wyoming, MI 49509
(616) 538-6380